यह हिंदुस्तान से दोस्ताना रिश्ता चाहते हैं और दूसरी तरफ ऐसे बयान करते हैं जिससे यह साबित होता है कि उनके ख्यालात दोस्ताना के तरफ नहीं है, मगर किसी और तरफ हैं

मैं ज्यादा तो और नहीं कहूंगा, मगर उनको यह बार-बार कह दिया गया है कि अगर आप ऐसे ऐलान करेंगे तो जाहिर है कि इससे आपके और हमारे दो-तरफा रिश्तों में फर्क होगा ।

SHRI DHARAM CHANDER PRASHANT: In his reply to the question the hon. Minister has said the only issue that remains is the vacation of that part of Kashmir which is illegally occupied by Pakistan. The other reply is that the decision will be taken through bilateral relations under the Simla Agreement. If a decision is to be taken under the Simla Agreement, then what is the use of having UNO observers there and why is our Kashmih issue still before the United Nations? I want to ask whether the Government is prepared or ready to withdraw the Kashmir issue from the United Nations and withdraw the UNO observers who are still there for the past 40 years.

SHRI K. NATWAR SINGH: Although the question that the hon. Member has raised does not strictly come within the purview of what has been asked, I will, if I may with your permission, just say that the Security Council has not discussed the Kashmir issue since September 1965. So, for all practical purposes this matter has not come up at the United Nations. As far as its continuation on the Agenda is concerned, there is no mechanism in the Charter, as far as I know, for an item to be withdrawn.

श्री राम चन्द्र विकल : उपसभापति जी मैं यह जानना चाहता हूं कि राष्ट्रपति जी जो सर्वोच्च सत्ता वहां की है उनका ब्यान होना और आए दिन सीमाओं पर आक्रमण होना और जिस तरह से यह आतंकवादियों की ट्रेनिंग यह अनेकों ऐसे सवाल है उसके बावजूद भारत सरकार की तरफ से किस रूप का विरोध प्रकट किया गया है पाकिस्तान को और चीन के साथ जो सड़कें बना रहे हैं कश्मीर की सीमा पर यह ऐसी सारी आशंकाएं हैं जो बाहर से हथियार ले रहे हैं वह सारी आशंकाएं हैं । इसके लिए भारत सरकार की तरफ से क्या क्या विरोध अब तक जाहिर किया गया है ?

श्री के० नटवर सिंह : देखिए जब पाकिस्तान के राष्ट्रपति यहां थे तब उनसे भी कहा गया, मैंने भी खुद कहा है उनके जो यहां राजदूत है उनसे कहा है और हमारे जो राजदूत इसलामाबाद में है उन्होंने वहां सब के विदेश मंत्री से यह बातें कहीं हैं और उनका ध्यान आकर्षित किया है कि जैसे यह ऐलान है जो वह कार्यवाही कर रहे हैं उससे दोस्ती तो नहीं बढ़ेगी ।

*132. [*The questioner* (*Shri B. Satyanarayan Reddy*) *was absent. For answer,* vide *col.* 47—50 *infra*].

*133. [*The questioner* (*Shri Rajni Ranjan Sahu*) *was absent. For answer,* vide *col.* 49—51 *infra.*]

New Textile policy

*134. SHRI A. G KULKARNI: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware of wide scale dissatisfaction over the "New Textile Policy" which has resulted in the closure of many of the textile mills in organised sector as well as large scale closures in handloom and powerloom sectors;

(b) how many new mills have fallen sick after the announcement of the New Textile Policy in 1985; and

(c) whether any in-depth study has been made about the difficulties being faced by this industry and the steps proposed to remove the same?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) The Textile Industry as a whole is faced with problem of demand recession and high cotton price. The mill sector as well as the decentralised sector are affected, but this situation cannot be attributed to the New Textile Policy.

(b) 99 cotton textile mills were lying closed on 31st May, 1987 as against 70 on 30th June, 1985.

(c) The Government is seized of these difficulties and has taken up the matter with the financial institutions to secure higher working capital finance for the industry.

SHRI A. G. KULKARNI: The Statement given by the hon. Minister says that the textile industry as a whole is faced with the problem of recession and high cotton price etc., but my specific question was about the new textile policy and what are its fall-out effects on the entire textile sector as such. You say that the problem of demand recession is one of the reasons why the textile industry is a little bit sluggish, but what I do think is that the textile policy was on the anbil and was moulded just to help the composite textile industry, the handloom sector and powerloom sector.

They were the basic parameters or which this textile policy was announced. Under these conditions when the new textile policy is announced, I am really sorry to say that this is a very simplistic reply that there is a demand recession and higher cotton prices. It is actually for high cotton prices that your Ministry itself is responsible. I don't want to go into that disputable question whether cotton should be exported or cloth should be exported. Perhaps, you are well aware that countries like Pakistan, China and Brazil have stopped export of cotton and they are exporting garments and cloth to get value added benefits for employment. So, the Government should really have taken a review of this textile policy in view of various reasons. In this connection, I basically want to know whether the Government will take a review of the new textile policy.

As regards norms for three sectors which are connected with it which include growing of cotton, the use of multifibre policy ...(*Interruption*).

THE DEPUTY CHAIRMAN: Put your question please.

SHRI A. G. KULKARNI: Madam, I have asked what I wanted to ask.

SHRI RAM NIWAS MIRDHA: Madam, the new textile policy that was announced in 1985 was meant to take a long term view of the textile industry in our country in all the three aspects which the hon. Member mentioned and a lot of ideas were given in it which were followed up by way of policy action. My general observation is that the policy has, by and large, succeeded in its main aim, the main aim because the production of cloth has increased, the per capita availability of cloth has increased, total production of cloth has increased, exports have increased and prices have remained stable. These are very major achievements of this policy and I am confident to say that if we proceed on some of the basic assumptions envisaged in the policy, all the three sectors would prosper in the long run. Madam, the three broad sectors of the textile industry, in our country, are the unorganised sector which means the handloom and the powerloom. The powerloom expert Mr. Kulkarni is here he has dealt with some mills also, but he is on both sides, the organised mill sector and the decentralised powerloom sector and handloom sector. Except for a certain fall in the production from the mill sector, the powerloom sector and the handloom sector which are labour oriented sectors show a welcome trend. They have increased their share in the total production of cloth. As much as 74 per cent of the total production is now accounted for by decentralised sectors, even the handloom sector for which you have a very soft corner as well as the decentralised powerloom sector.

As regards the mill sector, the problem arises only in those mills which are composite, namely weaving and spinning types. Secondly, the mills which have farsighted

management, modernised in time, who saw the technology coming, they are booming. They are doing very well. It is only those mill managements who neglected this industry or milked this industry to start other industries, they are closing and we are not sorry for them because the textile policy clearly envisages that the nonviable units whether the private sector or even the NTC should close if they cannot be made viable. But our main consideration is regarding the welfare of the labour of the mills which are closed. For that we have a special dispensation. That is, if the mills have to be closed and the closures have been sanctioned, we have a rehabilitation fund for the labour which is over and above the legal and statutory dues we will pay them 75 per cent of their wages in the first year, 50 per cent in the second year and 25 per cent in the third year. So, the whole policy, I repeat again, is working all right and with the cooperation from labour, the State Governments and the industry, we hope to bring the industry to a very viable position and make it serve the purpose for which the policy was framed, namely, to give ample cloth at reasonable prices to the people of this country.

SHRI A. G. KULKARNI: I do not want to pick up a quarrel with the Minister when he says that the Government's Textile Policy has really worked better. I have got my own views. But I have got some other more important questions. The point is, the cloth availability etc. Basically, this policy was oriented to help the composite mill industry, to rehabilitate it. There you have bitterly failed, utterly failed, and thereby you have made the powerloom industry sick by equating it at par in respect of excise duty. Here, you yourself said that after the Textile Policy, more mills have been closed. So, naturally, on that count also, the policy has failed.

The next point is, Madam, it is on record that the Prime Minister of the country has stated very clearly that the Government sector is not an orphanage for taking over all the sick units, whether in the textile industry or in the other engineering industry. But you yourself said that there is a package of rehabilitation with many State Governments. I see from my own State. But, for political reasons, you again go and hug that sick textile industry and thereby the Government's money has been lost to the tune of thousands of crores which would have been useful to rural people for other productive purposes. I want a categorical answer from you when the Prime Minister and you yourself have stated that the sick textile industry will not be taken over in the State sector. If you want them to work, let them work with their own finance and not with the Centre's finance.

SHRI RAM NIWAS MIRDHA: Madam, the Honourable Member has raised a lot of questions. I will start from the beginning. It has not been started in the Textile Policy that our aim is to keep all mills going. I would clearly say that the policy envisages closure of certain nonviable mills. If they are closed, it is not the fault of the policy. We have created a Rs. 750 crore modernization fund which is being used for renovation and modernization of the mill sector, but only of those mills which can be made viable. It is to be very clearly understood that the policy is meant for all the three sectors, the coordinated and balanced development of all the three sectors, and not the mill sector alone. That explains the closure of mills which had taken place for the reasons I have mentioned earlier.

Now, as regards takeover of sick industries and sick mills the Central Government does not want to take over nor, has it taken over, any mill after this policy was announced. I would even go to the extent of saying that the policy itself says that nonviable units which cannot be made viable would be closed. This remains our policy. It is true that

some State Governments, the Government of Gujarat and the Government of Maharashtra particularly, have come to us and have also taken steps to take over certain mills which are going. They have done is obviously because the mills could be made to run. In this respect, let me give the example of Gujarat. The labour has also made a lot of contribution in that. Out of 12 mills that were taken over, labour agreed that 6 should be closed. They agree that they were prepared to be out of job. It was a united effort on the part of the State Government, on the part of the labour who joined together in the package and came to the Central Government saying, "This is a sacrifice we are going to make so that the industry can proceed". And then we recommended that some advance be given to the Government of Gujarat. There were similar requests from the Government of Maharashtra also. They took over some mills in Nagpur. I do not know the results. They want to take over another two mills. We are examining it.

We assure you, Madam, and the House that our policy is that unless these mills, which the State Governments are trying to take over, can be run on viable lines, we will not be a party to their take over.

SHRI VITHALBHAI MOTIRAM PATEL: There is heavy duty on imported yarn and that is why there is a lot of smuggling of imported yarn. It is estimated that about 1,50,000 tonnes of yarn is being smuggled into the country which is about Rs. 5,000 crores worth. I want to know whether it is a fact that smuggling of yarn has already affected or caused sickness of the textile mills and what steps the Government will take to stop smuggling of yarn.

SHRI RAM NIWAS MIRDHA: We are conscious that like some other goods, imported yarn is also smuggled into our country. But the figures mentioned by the honourable Member and some other trade interests are completely off the mark. We are in constant touch with the Customs Department, the Border Security Force and the Coast Guards. There have been a lot of seizures and we are trying to strengthen our machinery for movement on the border areas so that smuggling is reduced to the maximum.

SHRI RAOOF VALIULLAH: Part (c) of the answer indicates that the Government is seized of these difficulties and has taken up the matter with the financial institutions to secure higher working capital finance for the industry. The honourable Minister was the chief guest at a textile conference which was held in Ahmedabad three months ago and this was one of the main points considered and the Minister had then assured that there are certain guidelines by the Reserve Bank of India which have to be relaxed. My first point is whether the Government has approached the Reserve Bank of India and the financial institutions to give adequate assistance to the textile industry which is in doldrums. Secondly, to a letter by the Chief Minister of Gujarat to the Prime Minister, the Textile Secretary wrote back to the Chief Minister saying that the other avenue which is open to the Government is giving of funds from the Advance Plan Assistance. Now, the Advance Plan Assistance is also getting exhausted. In view of the fact that a drought situation is prevailing in the State, what is the other avenue left—The Textile Modernisation Fund. I would like to know from the honourable Minister whether this Textile Modernisation Fund has been utilised and, if so, to what extent.

SHRI RAM NIWAS MIRDHA: As regards the first question, within a week of my coming back from Ahmedabad, we had a meeting with the financial institutions which was followed up by another meeting and some relaxation has been sanctioned, particularly with regard to viable mills of Ahmedabad and they have

shown a spirit of accommodation indicating that if they are otherwise viable, some credit relaxation will be given to them. As regards the Advance Plan Assistance and other avenues, firstly, we are not in favour of the State Governments, whether Gujarat or others, taking over the responsibilities of those mills which are closing or have closed. If they, for various reasons, seek to do it from their own resources within the Plan or otherwise they want to rehabilitate them and we are convinced that they are viable enough, we will recommend their cases. What the State Governments do with their limited resources, we are not concerned with it.

*135. [*The questioner (Shri Mukhtiar Singh Malik) was absent. For answer,* vide *col.* 51—58 *infra*].

*136. [*The questioner (Shri Ashok Nath Verma) was absent. For answer,* vide *col.* 59—64 *infra*.]

*137. [*The questioner (Shri M. S. Gurupadaswamy) was absent. For answer,* vide col. ..... infra.]

Meeting of Indo-Pak Sub-Commission on Trade and Economic Cooperation

*138. SHRI SANTOSH KUMAR SAHU: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a fact that India had made a suggestion for convening a meeting of the Indo-Pak sub-commission on trade and economic co-operation;

(b) if so, what is Pakistan Government's reaction thereto; and

(c) what are the subjects likely to be covered during such talks?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH): (a) Yes, Madam.

(b) The Government of Pakistan has agreed to the convening of the Indo-Pak sub-commissions on Trade and Economic Cooperation on the 10th and 11th August, 1987, at New Delhi.

(c) Sub-Commission I deals with Economic matters (including Agriculture, Communications, Planning, Health and Shipping) and Sub-Commission II deals with trade.

SHRI SANTOSH KUMAR SAHU: Due to geographical fluctuations and historical reasons four decades ago it was necessary that there must be trade links between the two countries. In view of the present circumstances and the heightening of the activities of drug trafficking from that country, will the honourable Minister see that these things are taken up in these Sub-Commission meetings to prevent such trafficking in drugs so that this does not spoil the future of both the countries?

SHRI K. NATWAR SINGH: Madam, I would like to give this assurance to the honourable Member that this is a very important matter and it has already been taken up at the SAARC meeting that we had and some constructive decisions were taken. But I think it is good idea that we take up this when the Sub-Commissions meet.

THE DEPUTY CHAIRMAN: Yes, Mr. Sahu, you put your second supplementary.

SHRI SANTOSH KUMAR SAHU: Madam, I am putting my second supplementary. I would like to know what the main items of trade are which we want to develop actually, the items of trade which are going from this country and the items which are coming, which we positively want to discuss in the Sub-Commission. Do we have any broad guidelines fixed for taking up these things in the Sub-Commission?

SHRI K. NATWAR SINGH: Yes, Madam, that is being done and the